



STATE OF LOUISIANA
INVITATION FOR BID

PROPOSAL NO.: B-143

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PROPOSAL MUST BE RECEIVED NO LATER THAN

TIME: 10:00 A.M.

DATE: May 23, 2002

FOR INFORMATION CONTACT: Melissa Harris

PHONE NUMBER: (225) 342-8416

This document constitutes an invitation to submit sealed bids, including prices, from qualified individuals and organizations to furnish those services and/or items described herein.

Proposals **must** be mailed to the Office of the Governor, Division of Administration (DOA), Office of Risk Management or hand carried to its offices at 626 North Fourth Street, 4th Floor, P. O. Box 94095, Baton Rouge, Louisiana 70804-9095.

STATE OF LOUISIANA – VARIOUS STATE DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS

FOR:

Section I: Hull, Protection and Indemnity, and Towers and Collision to cover scheduled Tug Boats, Ferry Boats, Pontoons and Barges, and Vessels over Twenty-six (26) Feet in Length for the State of Louisiana, Various Departments.
Section II: Protection and Indemnity for Masters and Members of a Crew and/or Employees for the State of Louisiana, all State Departments, Agencies, Boards, and Commissions.
Section III: Pollution Coverage as required by Public Law 101-380 - The Oil Pollution Act of 1990.

CONTRACT PERIOD:

Policy to be effective for the period of 12:01 A.M. **July 1, 2002** to 12:01 A.M. **July 1, 2003 with two (2) on-year options to renew at the same rates.** Bids will be received up to **10:00 A.M., May 23, 2002** by the Administrative Section of the Office of the Governor, Division of Administration, Office of Risk Management, 626 North Fourth Street, 4th Floor, Baton Rouge, Louisiana. At the same hour of the same day and date bids will be publicly opened and read in the conference room at the Division of Administration, Office of Risk Management address. Bids received after this time will be returned to the bidder/contractor unopened.

BIDDER/CONTRACTOR INFORMATION/SIGNATURE:

The bidder hereby agrees to provide the insurance coverage and related services, at the prices quoted, pursuant to the requirements of this document and further agrees that when this document is countersigned by an authorized official of the State of Louisiana, a binding contract, as defined herein, **shall** exist between the bidder and the State of Louisiana.

Insurance Agency Name

Signature of Designated Authorized Insurance Agency Representative

Print Name

Title

Mailing Address (Bidding Agency)

Telephone

City

State

Zip Code

THE FOLLOWING SECTION IS FOR STATE OF LOUISIANA USE ONLY

NOTICE OF AWARD

PROPOSAL NUMBER:➔

B-143

This proposal is accepted by the State of Louisiana as follows:

STATE RISK UNDERWRITING SUPERVISOR

STATE RISK DIRECTOR

DATE

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**STATE OF LOUISIANA
OFFICE OF RISK MANAGEMENT (ORM)**

PART I

TERMS AND CONDITIONS OF AN INVITATION FOR BID

1. Terminology of an Invitation for Bid (IFB)

Throughout this document the words "bidder", "contractor", and "policy" may pertain to one or more bidder(s), contractor(s), or policy(ies).

Whenever the following words and expressions appear in an Invitation for Bid document or any amendment, exhibit, or attachment thereto, the definition or meaning described below **shall** apply.

- 1.1 Authorized** - Is an admitted or non-admitted insurance company (or syndicate of companies) approved by the Commissioner of Insurance to do business in the State of Louisiana.
- 1.2 Bid Close Date and Time and Similar Expressions** - The exact deadline required by the IFB for the physical receipt of bids by the Division of Administration (DOA), Office of Risk Management in its office.
- 1.3 Bidder** - The person or organization that responds to an IFB with a proposal and prices to provide the service, supplies, or equipment as required in the IFB document. **All provisions contained in this solicitation, which are addressed to the bidder, shall apply equally to the contractor.**
- 1.4 Budget Agency or State Budget Agency** - Any unit of state government in the State of Louisiana for which the policy of insurance and service is being purchased by the OFFICE OF RISK MANAGEMENT sometimes hereinafter referred to as ORM.
- 1.5 Buyer** - The procurement staff member of ORM.
- 1.6 Contractor** - The person or organization who enters into a legally binding contract thereby agreeing to perform a service and/or to furnish supplies or equipment in return for the payment of money and includes the bidding agent or agency and the insuring company whose names appear on the cover sheet and EXHIBIT III of the invitation for bid. **All provisions contained in this solicitation, which are addressed to the contractor, shall apply to the bidder.**
- 1.7 Guaranteed Cost** - Premium charged on a prospective basis, fixed or adjustable, or on a specified rating basis, but never on the basis of loss experience. In other words, the cost is guaranteed to the extent that it will not be adjusted based on the loss experience of the insured during the period of coverage. The rate(s) **must** remain fixed during the contract period.
- 1.8 Invitation for Bid or IFB** - Those procurement documents issued by ORM to potential bidders/contractors for the purchase of insurance coverage and related service as described in the document. The definition includes all attachments, exhibits, schedules, supplemental pages, and/or amendments thereto.
- 1.9 Manuscript Endorsement** - Any unprinted, typed endorsement changing any conditions, agreements, exclusions or warranties of the contract.
- 1.10 Must and Shall** - When these words are used the performance of a certain act is a mandatory condition and **shall** be performed exactly as described.

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1.11 Designated Authorized Representative - When used in regards to the insurance company or an incorporated insurance agency, these words mean an elected corporate officer with power of attorney for the insurance company/agency. The requirements of power of attorney are specified in PART IV, Section 3 of these specifications. When used in regards to an unincorporated insurance agency, these words mean the owner of the agency.

2. Open Competition

It is the intent and purpose of ORM that the Invitation for Bid permits free and open competition. However, it **shall** be the bidder's/contractor's responsibility to advise ORM if any language, requirements, etc., or any combination thereof, inadvertently restricts or limits the requirements to a single source or otherwise unduly or unnecessarily prohibits the submission of a bid. The notification **must** be received by ORM within ten (10) calendar days prior to the bid close date and time. Bidders are requested to bring to the attention of ORM any perceived problems with these specifications at the earliest possible opportunity in order to allow clarification or amendment with minimum disruption to the bid process.

3. The Invitation for Bid Document (IFB)

3.1 The IFB contains two basic types of requirements and information, although it may be organized into several parts. One type consists of the scope of work (technical requirements) and related contractual commitments with which the bidder/contractor **must** comply if awarded a contract. The other type consists of those basic instructions and procedural requirements which **must** be observed and satisfied by the bidder/contractor when submitting a bid for consideration.

3.2 The IFB or a Notice to Bidders is mailed to persons and organizations at the address currently on file with the DOA, Purchasing Section. If any portion of the address is incorrect, the bidder/contractor **must** notify the buyer upon receipt of the document. Any subsequent amendment to an IFB will be mailed to the same address as the original IFB unless otherwise notified.

4. Amendments to an Invitation for Bid

4.1 ORM reserves the right to officially modify (or cancel) an IFB after issuance. Such a modification shall be identified as an amendment and numbered in a sequential order as issued.

4.2 If bidder/contractor has not received all amendments which have been issued by ORM, it is the bidder's/contractor's responsibility to contact ORM to obtain a copy(ies) of the amendments. If the designated authorized representative of the insurance agency fails to acknowledge receipt of all amendment(s) by signing the amendment(s) in the designated area and returning same with bid response, the bidder's/contractor's submission will not be considered a responsive bid.

4.3 The designated authorized representative of the insurance agency may acknowledge the acceptance of the conditions of an amendment by telegraphic notice or electronic mail services if issued to and physically received in the Office of Risk Management - Administrative Section no later than the official bid close date and time. Verbal messages from either a telegraph company or the bidder/contractor shall not be permitted or considered as an acceptance of an amendment.

5. Questions by Bidders

5.1 Any questions related to an IFB **must** be directed to the buyer in ORM whose name appears at the top of the form on page 1. Prior to the award of the IFB, the bidder/contractor **shall** not contact nor ask questions of the State agency for which the required insurance is being procured, unless so stated elsewhere in these specifications. **Questions shall be submitted in writing and will be answered in writing in the form of an amendment and forwarded to all vendors who were mailed an IFB.** Any correspondence related to an IFB should refer to the

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appropriate IFB number, page and paragraph number, etc. However, do not place the IFB number on the outside of the envelope containing questions since such an envelope will be identified as a sealed bid and will not be opened until after the official bid close date and time. Correspondence should be mailed to the Office of Risk Management, P. O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095.

- 5.2** All questions **must** be received by ORM at least fifteen (15) calendar days prior to the bid opening date. All answers will be mailed to the vendors at least ten (10) calendar days prior to the bid opening date.

6. Instructions for Submission of Bid(s) by Bidders/Contractors

- 6.1** A proposal submitted **must** be manually signed in ink by the designated authorized representative of the insurance agency and the insurance company. ORM will accept either the original insurance company designated authorized representative's signature submitted with the bid response or a facsimile copy of the insurance company designated authorized representative's signature on EXHIBIT III in lieu of an original signature. The original of EXHIBIT III containing the insurance company designated authorized representative's original signature **must** be received at ORM's office within ten (10) working days after the bid opening date. Failure to timely submit said original of EXHIBIT III may result in rejection of the bid. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the requirement of a company and an agency signature; however, the submission of a bid bond allows any authorized person from the company and the agency to sign the invitation in lieu of the designated authorized person.

- 6.1.1** The designated authorized representative of the insurance agency **shall** manually sign in ink the following:

6.1.1.1 Form ORM-02

6.1.1.2 Any amendments to the specifications

- 6.1.2** The designated authorized representative of the insurance company **shall** manually sign in ink the following:

6.1.2.1 EXHIBIT III

- 6.2** All attachments **shall** be returned as follows:

6.2.1 **Must** contain all information required by the IFB.

6.2.2 The bid **shall** be priced as required in the IFB.

6.2.3 **Must** be sealed in an envelope or box with security deposit attached, if required.

6.2.4 **Must be delivered to the Office of Risk Management - Administrative Section and officially clocked in no later than the exact time on the date as specified in the IFB.**

6.2.5 Entire IFB and Amendment(s) (if applicable) shall be returned except as otherwise provided in these specifications.

- 6.3** **THE SEALED ENVELOPE OR BOX CONTAINING AN IFB SHALL BE CLEARLY MARKED ON THE OUTSIDE BOTTOM LEFT CORNER WITH THE FOLLOWING:**

6.3.1. THE OFFICIAL IFB PROPOSAL NUMBER.

6.3.2. THE OFFICIAL CLOSE DATE AND TIME.

- 6.4** Please submit your bid with pages numbered in the bottom right-hand corner of each page in the following manner: 1 of 4, 2 of 4, etc.

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7. Proposal Opening

- 7.1** Shortly after the expiration of the official bid close date and time, bids will be opened. The bidders/contractors and the public are invited, but not required to attend the formal opening of bids. Prices will be read aloud to the public. However, no decisions related to an award of a contract **shall** be made at the opening.
- 7.2** Due to manpower limitation, buyers shall not repeat prices after an opening via telephone request. Please do not make such requests. However, upon written request a photocopy of the Summary of Quotations shall be mailed to interested bidders/contractors.

8. Late Proposals

- 8.1** Any bid received by the DOA, Office of Risk Management after the exact bid closing date and time **shall** not be opened and **shall** not be evaluated regardless of the reason and mitigating circumstances related to its lateness or degree of lateness.
- 8.2** It is the bidder's/contractor's sole responsibility to insure that the proposal is physically received and officially clocked in as a sealed document by the DOA-Office of Risk Management in its offices no later than the official close date and time. Late bids **shall** be returned to bidders/contractors unopened.

9. Rejection of Bids

An invitation for bids, a request for proposals, or other solicitation may be canceled or all bids or proposals may be rejected, if it is determined in writing by the chief procurement officer or his designee that such action is taken in the best interest of the State.

10. Public Notice of Awards

- 10.1** ORM has no facilities for furnishing abstracts of bids; a complete record of all bids is on file in this office subject to inspection of any citizen who is interested in investigating, for any purpose, the record of State purchases.
- 10.2** Bidders are permitted to review competitors' bids and evaluate documents in accordance with the provisions of the Public Record Act, Louisiana R.S. 44:1 et seq. Such review **must** be conducted on site in ORM in accordance with the public records statutes.

11. Non-Award of Contract Due to Insufficient Funds

ORM reserves the right to reject the bid for insurance coverage if the insured(s) does/do not have sufficient funds available with which to pay the premium.

12. Contract Resulting From an IFB

- 12.1** The bidder/contractor is advised that the State of Louisiana **does not sign standard contract forms**. The IFB document issued by ORM contains signature lines for the designated authorized representative of the insurance agency and of the insurance company which **shall** be signed when submitted as a bid. Immediately below the bidder's/contractor's signature line is a section entitled "Notice of Award" which contains signature lines for officials of the State of Louisiana. To consummate a contract, officials of the State of Louisiana need only to sign the Notice of Award section of the form.
- 12.2** Be aware that the actual contract between the State of Louisiana and the bidder/contractor shall consist of the following documents: (1) IFB and any amendments issued thereto, (2) the proposal submitted by the bidder/contractor in response to the IFB, (3) the actual policy issued. In the event of a conflict in language between items 1, 2, and 3 referenced above, the provisions and requirements set forth and/or referenced in the IFB shall govern. ORM reserves the right to clarify any contractual relationship in writing and such written clarification shall govern in case of conflict with the applicable requirements stated in the IFB

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and the bidder's/contractor's proposal. In all other matters not affected by the written clarification, if any, the IFB shall govern. The refusal of the bidder/contractor to conform to the provisions and requirements set forth and/or referenced in the IFB shall result in the award of the contract to the new lowest bidder/contractor. The bidder/contractor is cautioned that its proposal shall be subject to acceptance by ORM without further clarification. In the event of any discrepancies between the insurance requirements delineated in these bid specifications and the model policy provided herein, the bid specifications shall govern.

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PART II

TECHNICAL SPECIFICATIONS

1. General Specifications

1.1 SECTION I: Tug Boats, Ferry Boats, Pontoons and Barges and Vessels over Twenty-Six (26) Feet in Length.

The bidder/contractor **shall** provide Hull Insurance to replacement cost less a self-insured retention of 5% not to exceed \$50,000 and no less than \$5,000 for tug boats, ferry boats, pontoons and barges and vessels over twenty-six (26) feet in length. Protection and Indemnity and Towers and Collision coverage with limits of liability of \$100,000,000 with \$50,000 deductible for scheduled vessels for the State of Louisiana, Various Departments. Hull Values for tug boats, ferry boats, pontoons and barges and vessels over twenty-six (26) feet in length **shall** be insured to values as outlined in the marine schedules enclosed.

Lay-Up Provision - While vessels are dry-docked, the bidder/contractor **shall** provide a reduced rate for the P&I coverage. The P&I discounted premium while a vessel is dry-docked for thirty (30) days or longer **shall** be indicated on EXHIBIT II of these specifications. This discounted percentage rate will **not** be used in determining the lowest bid or quotation.

1.2 SECTION II: Protection and Indemnity for Masters and Members of a Crew and/or Employees.

The bidder/contractor **shall** provide Protection and Indemnity for Masters and Members of a crew and/or employees for all State operated vessels. The Limit of Liability with respect to claims for loss of life or injury to crew and/or employees **shall** be \$99,000,000 any one person, \$99,000,000 any one occurrence excess of \$1,000,000 any one person, \$1,000,000 any one occurrence. The Protection and Indemnity on crew and/or employees **shall** be excess for all employees in the State of Louisiana on all types of vessels, including vessels over 26 feet in length **and** those less than 26 feet.

1.3 SECTION III: Pollution Coverage as required by Public Law 101-380 - The Oil Pollution Act of 1990.

The bidder/contractor **shall** provide insurance to cover the statutory limits of Public Law 101-380 - The Oil Pollution Act of August 18, 1990 hereinafter referred to as O.P.A. as per the sample policy form, or equivalent, with excess coverage to a minimum of \$5,000,000 insurance to include the statutory limits of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Public Law 91-510).

Unless the Pollution Policy includes loss of life or personal injury caused by pollution and contamination of cargo on insured vessel or vessels of others, the Protection and Indemnity Policy **shall** be extended to cover these liabilities.

Underwriters **shall** be acceptable to the State of Louisiana and to the United States Government to meet the financial responsibility required by the act(s) and **shall** file the necessary certificates required of the guarantor when requested by the State of Louisiana.

1.4 The bidder/contractor shall agree that underwriting information provided in the schedule is believed to be correct and it shall not be considered in any way a warranty by ORM and shall not impair the rates for the insurance coverage based upon the information provided.

1.5 Bids submitted by admitted companies (including reinsurance carriers which desire to submit bids for any coverage layer requested or excess of any coverage layer requested) licensed to do business in the State of Louisiana possessing a **Best's Insurance Reports policyholder's current rating of "A + +", "A +", "A" or "A-", with a financial rating of Class VIII or higher will be considered first. Surplus line companies or non-admitted companies possessing a**

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Best's Insurance Reports policyholder's current rating of "A + +", "A +", "A" or "A-", with a financial rating of Class VIII or higher will be considered and accepted only if acceptable bids are not tendered by an admitted company. The bidding company **shall** meet the qualifications mentioned above without regard to any cut-through endorsements to a higher company. Direct quotations from companies (including reinsurance carriers) **shall** be considered an alternate bid. Mutual companies which write assessable insurance policies are not acceptable and will not be considered for award of the bid.

- 1.6** The contract and policy term **shall** be for the period of time as reflected under EXHIBIT I.
- 1.7** Invoices for policies delivered and accepted **shall** be submitted (in duplicate) by the bidder/contractor on its own form directly to ORM, Division of Administration.
- 1.8** **Contractor shall be required to furnish closure claims settlement notices to ORM, Division of Administration, on all settlements of claims.**

Contractor shall be required to furnish a quarterly report reflecting claims (cumulatively for policy year, not just activity for the quarter) opened and closed and claims reserved and paid per agency by policy year, including all allocated loss adjustment expenses until all claims are closed. Information to be reflected on the quarterly report for each individual claim shall include, but not be limited to, the following:

- 1.8.1** Dates of loss;
- 1.8.2** Status of claim (open, closed, reopened)
- 1.8.3** Brief description of loss;
- 1.8.4** State agency name;
- 1.8.5** Amount of claim as indicated below (by coverage code, if applicable)
 - 1.8.5.1** Total incurred;
 - 1.8.5.2** Amount paid;
 - 1.8.5.3** Amount reserved;
 - 1.8.5.4** Amount recovered;
 - 1.8.5.5** Amount of loss adjustment expenses; and
 - 1.8.5.6** Net incurred.

- 1.9** All books and records of transactions under this contract **shall** be maintained by the bidder/contractor for a period of five (5) years from the date of the final payment under the contract.
- 1.10** R.S. 22:6, 22:1249.1, and 22:1379, all effective July 15, 1997, make reference to vessels "under 5 tons gross weight" which adversely affect the State of Louisiana's marine program due to the fact that the State has several vessels under 5 tons gross weight. A complete copy of these statutes can be found on the Internet at <http://www.legis.state.la.us/tsrs/search.htm>. The Department of Insurance has advised that all covered vessels, including those with a gross weight of less than 5 tons, may be issued on one "combination policy". Normally, admitted carriers submitting a bid on a "combination policy" must file rates and forms with the Department of Insurance for coverage on those vessels with a gross weight of less than 5 tons.

The State of Louisiana has now adopted the form "Louisiana Certification of Exempt Commercial", based on Louisiana Regulation 72. This form will allow the State to award the coverage to the lowest responsive and responsible bidder without the insuring company having to file their rates and forms with the Department of Insurance. Additional information on Regulation 72 can be found on the Internet at <http://www.state.la.us/OSR/reg/Register.htm> (choose 2000 Issues, March 2000, then "Insurance" heading on page 2).

Rates and forms do not have to be filed with the Department of Insurance preceding or following the bid opening date. The provisions of this regulation are experimental and, therefore, are subject to modification or repeal. If this occurs, special filings of the policy forms with the Louisiana Department of Insurance may be required at any time during the policy period.

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- 1.11** At the request of ORM, the insurance policy issued to include coverages as reflected in PART IV of these specifications will be revised by way of endorsements to the policy extending or deleting coverage as a result of any changes in units of exposure, if needed.
- 1.12** A bidder/contractor offering a direct sale of insurance to the State should have reduced the policy premium by the amount of the commission which would have been paid, as indicated by Louisiana R.S. 39:1631.
- 1.13** "It **shall** be unlawful for an agent (bidder/contractor) to split, pass on or share with any person, group, organization or other agent, except the State of Louisiana, all or any portion of the commission derived from the sale of insurance to the State..." Louisiana R.S. 39:1632.

2. **General Required Endorsements**

The "policy of insurance" as used in this section **shall** mean policy issued by the successful bidder/contractor.

- 2.1** The cancellation provisions of the policy of insurance shall be replaced with the following:

"It is agreed that the guidelines set forth in this policy as regards cancellation of coverage are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:

The insured may cancel the policy by returning it to the company or by giving the company advance notice of the date cancellation is to take effect. The company may cancel or non-renew the policy by mailing to the insured by "Certified Mail, Return Receipt Requested" (at the insured's last known address by the company) written notice of cancellation at least:

Thirty (30) days before the effective date of cancellation if cancellation is due to nonpayment of premium; or

One hundred-twenty (120) days notice if cancellation or non-renewal is due to any other reason.

The company may deliver any notice instead of mailing it. A signed return receipt will be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period."

- 2.2** The policy of insurance **shall** include this endorsement: **"The inclusion of more than one Named Insured in the policy shall not affect the rights of any Named Insured as respects any claim or suit by any other Named Insured or by an employee or such other insured."**
- 2.3** The policy of insurance **shall** include this endorsement, unless a "Separation of Insureds" clause is part of the policy: **"The policy shall insure each Named Insured in the same manner as though a separate policy had been issued to each, but nothing contained herein shall operate to increase the company's liability as set forth elsewhere in this policy beyond the amount or amounts for which the company would have been liable if only one insured had been named, without the prior written approval of the Named Insured."**
- 2.4** The policy of insurance **shall** include this endorsement: **"For the insurance afforded herein, the State Risk Director for the Office of Risk Management/Division of Administration, State of Louisiana is authorized to act for all insureds respecting the giving and receiving of notice of cancellation, non-renewal or material change, receiving any return premium or dividend, and changing any provisions of this coverage. Such notice or changes shall be mailed in care of the Office of Risk Management, Division of Administration, Post Office Box 94095, Capitol Station, Baton Rouge, LA 70804-9095."**
- 2.5** The policy of insurance **shall** include this endorsement: **"Neither the Insured nor the company may cancel or eliminate any Section or Coverage Part of the policy without the consent of the other party. If either party elects to cancel, only the policy in its entirety, and not a**

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Section of the policy, is subject to cancellation unless the two parties agree that a Section(s) or Coverage Part(s) of the policy will be eliminated."

- 2.6** The policy of insurance shall include this endorsement: "For the insurance afforded herein, each State agency shall be considered a separate risk and policy conditions excluding the right of one insured to present a claim against another insured shall not be invoked between such State Agencies.
- 2.7** The policy of insurance shall include this endorsement: "The policy of insurance shall provide Protection and Indemnity coverage to include Cargo Legal Liability coverage."
- 2.8** An endorsement to the policy excluding hostile acts/terrorism with a limited buyback option will be accepted if it is equivalent or better than the example shown in SCHEDULE D.
- 3. Specific Required Endorsements - The following applies to coverage provided for SECTION I only.**
- 3.1** The policy of insurance shall include this endorsement: "The policy of insurance is issued with the understanding that navigation is confined to the inland and coastal waters of the State of Louisiana."
- 3.2** The policy of insurance shall include this endorsement: "In consideration of premium charged it is agreed that coverage hereunder shall not be subject to any warranties of seaworthiness (other than as respects hull coverage at the time of initial attachment) unless specifically expressed herein. This clause, however, shall not affect the due diligence provision of the Inchmaree Clause nor shall this clause be interpreted as extending coverage for losses due to seaworthiness as an insured peril."
- 3.3** The policy of insurance shall include this endorsement: "The policy of insurance shall provide under the hull and machinery feature, coverage including strikes, riots and civil commotion."
- 3.4** The policy of insurance shall include this endorsement: "Bidder/contractor shall furnish automatic hull and liability coverage on all newly acquired owned vessels for thirty (30) days. Limit of automatic hull coverage shall not exceed \$5,000,000. Newly acquired shall be defined as the time at which the State has care, custody and control of the vessel."
- 3.5** The policy of insurance shall include this endorsement: "As respects confiscated or borrowed vessels, bidder/contractor shall furnish automatic liability coverage for ten (10) days."
- 3.6** The policy of insurance shall include this endorsement: "Contractor shall furnish automatic hull (when required by lease agreement) and liability on leased vessels for 10 days. Automatic hull coverage shall not exceed \$5,000,000."
- 3.7** The policy of insurance shall include this endorsement: "It is understood and agreed that this insurance excludes all claims in respect to crew and/or employees of the Assured for injuries, sickness, and death, when such are compensable under the Louisiana Workers' Compensation Law, LSHWA, and Maritime."
- 3.8** The policy of insurance shall include this endorsement: "It is agreed that if, in the ordinary course of business, the Insured is required to grant releases from liabilities or arrange for waiver of underwriters' rights of subrogation, privilege is hereby granted to do so, provided prompt notice of any such action be given underwriters."
- 3.9** The policy of insurance shall include this endorsement: "In the event of cancellation or elimination by the insurance company, return premium shall be pro-rata. In the event of cancellation or elimination by the Insured, return premium shall be pro-rata less 10%. In the event of disposal (or sale) of an insured vessel, the return premium shall be pro-rata."
- 3.10** The policy of insurance shall include this endorsement: "Insureds: With respect to State Of Louisiana - Department of Transportation and Development and Crescent City Connection

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Division as follows:

The Crescent City Connection Division, formally referred to as the Mississippi River Bridge Authority, an Instrumentality of the State of Louisiana within the Department of Transportation and Development pursuant to Act 513 of 1976, owner and the First National Bank of Commerce in New Orleans, Trustee, as their interests may appear.

Trading Warranty: Warranted by the Insured confined to the use and the navigation of the inland waters of the State of Louisiana.

Additional Insureds:

A. With respect to vessels as per SCHEDULES AA & BB as follows:

- Board of Commissioners of the Port of New Orleans
- Plaquemine Parish Commission Council

B. With respect to the Cable Ferry at the Bancker Canal Ferry location only:

- Police Jury of Vermillion Parish
(Warranted that provisions of Articles IV & VIII of the contract between Dept. of Transportation and Development and the Parish of Vermilion are fully and strictly complied with.)

SCHEDULE AA

- Ferry Boats:
1. "Louis B. Porterie"
 2. "Thomas Jefferson"
 3. "Captain Neville Levy"
 4. "Colonel Frank X. Armiger"
 5. "Senator Alvin T. Stumpf"
 6. "St. John"

SCHEDULE BB

- Pontoons:
1. Steel Pontoon - Chalmette Side, Paris Road Landing
 2. Steel Pontoon - Algiers Side, Paris Road Landing
 3. Steel Pontoon - New Orleans Side, Jackson Avenue Landing
 4. Steel Pontoon - Chalmette Side, Paris Road Landing
 5. Steel Pontoon - Gretna Side, Jackson Avenue Landing
 6. Steel Pontoon - New Orleans Side, Canal Street Landing
 7. Steel Pontoon - Algiers Side, Canal Street Landing

3.11 The policy of insurance shall include this endorsement: "This policy automatically covers each vessel acquired, purchased or bareboat chartered by the Insured up to the following maximum limits of liability:

\$ 5,000,000 - Hull and Machinery
\$100,000,000 - Protection and Indemnity

The agreed valuation under this clause shall be as follows:

1. With respect to purchased vessels: Purchase Price.
2. With respect to bareboat chartered vessels: The amount set forth in the charter party executed by Insured and vessel owner, or in the event of an oral bareboat charter, the amount agreed upon by Insured and the owner; but in no event shall the amount be more than the original purchase price, or the amount the bareboat chartered vessel was insured prior to being chartered to the Insured.

It is further agreed that the Insured shall give notice where practicable prior to such acquisition, and in any event within thirty (30) days after the acquisition of any vessel. Premium shall be paid at a pro-rata basis."

3.12 The policy of insurance shall include this endorsement: "It is understood and agreed with respect to the vessels ~~Pelican~~ and ~~Acadiana~~ only, the navigation warranty is amended to

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read as follows:

Warranted by the Assured confined to the use and navigation of the inland and coastal waters of Texas, Louisiana, Mississippi, Alabama and Florida including the entire Gulf of Mexico excluding the waters of Cuba and Mexico."

3.13 The policy of insurance **shall** include this endorsement: **"It is understood and agreed with respect to vessels other than the ~~Pelican~~ and ~~Acadiana~~ the navigation warranty is amended to read as follows: Warranted by the Assured confined to the use and navigation of the inland and coastal waters of the State of Louisiana."**

3.14 The policy of insurance **shall** include this endorsement: **"It is understood and agreed that Underwriters' Rights of Subrogation shall be considered waived against all Louisiana Domicile Political Subdivisions."**

3.15 The policy of insurance **shall** include this endorsement: **"It is understood and agreed that the company shall name LOOP, LLC as an additional Insured as respects the following described vessels which are insured under (2855) Department of Wildlife and Fisheries – Marine Fisheries Division:**

1. "Shark" #LA 170PS
2. "Tarpon" #LA 1379PU

It is further understood and agreed that the company hereby waives its right of subrogation against LOOP, LLC as respects the vessels listed above. This waiver of subrogation is in favor of LOOP, LLC, which shall include Section III - Pollution Coverage. However, said waiver shall apply only to the extent to which the Named Insured has, in writing, waived such right against LOOP, LLC

In the event of cancellation of, or material change in this policy by this company, at least thirty (30) days prior written notice of such shall be given to the below listed concern.

**LOOP, LLC
Headquarters
#1 Seine Court, Suite 500
P. O. Box 6638
New Orleans, Louisiana 70714**

3.16 The policy of insurance **shall/shall not** include the following:

3.16.1 A hostile acts exclusion with limited buyback endorsement will NOT be accepted for Section I Hull coverage.

3.16.2 A hostile acts exclusion with limited buyback endorsement will be accepted for Section I Protection and Indemnity (P&I) coverage based on the endorsement shown in SCHEDULE D or equivalent. The premium for the buyback option shall be included in the premium quotation shown in EXHIBIT I.

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4. **Specific Required Endorsements - The following applies to coverage provided for SECTION II only.**

- 4.1 The policy of insurance **shall** include this endorsement: "~~The definition of an employee~~**shall include volunteer workers while acting in the service of the State of Louisiana.**"
- 4.2 The policy of insurance **shall** include this endorsement: "**It is understood that protection and indemnity coverage applies with respect to claims for loss of life or injury to masters or members of the crew and/or employees of the vessel including volunteer workers, while acting in the service of the State of Louisiana, subject to a deductible of \$1,000,000 for any one accident or occurrence for vessels operated by the insured.**"
- 4.3 A hostile acts exclusion with limited buyback endorsement will **NOT** be accepted for Section II coverage.

5. **Specific Required Endorsements - The following applies to coverage provided for SECTION III only.**

- 5.1 The policy of insurance **shall** include this endorsement: "**It is understood and agreed that this policy is amended to provide indemnity for:**
- Administrative Penalties imposed pursuant to Section 311(b)(6)(B) of the Federal Water Pollution Control Act (FWPCA)(33 U.S.C. 1321) (b) as amended by OPA 1990 or subsequently, and arising under Section 311(b)(6)(A)(1) only. Penalties imposed under any other Section of FWPCA, any other Federal Statute, or the laws of any state or subdivision thereof as specifically EXCLUDED. Indemnification for defense costs incurred with the prior consent of the insurer in connection with this endorsement are also included hereunder, subject to the limits provided below and not as separately insured.**
- The maximum amount payable for liability arising under this endorsement shall be \$137,500 each and every occurrence or series of occurrences arising out of one event, provided that, in no event shall the insurer indemnify the Assured for more than \$137,500 in the aggregate during the term of this policy and provided further that each penalty is subject always to a deductible of \$500 each vessel each occurrence."**
- 5.2 A hostile acts exclusion with limited buyback endorsement will **NOT** be accepted for Section III coverage.

6. **Delivery Dates and Location**

- 6.1 The policy of insurance **shall** be received by ORM within forty-five (45) days from the inception date of the policy and **shall** not be delivered to any other State agency.
- 6.2 Coverage binder **shall** be received by ORM within five (5) days of the date award is made.
- 6.3 Bidder/Contractor shall issue endorsement(s) to any additional insured(s) as requested by the Named Insured.
- 6.4 This is a request for a guaranteed rate policy in effect from **July 1, 2002 to July 1, 2003 with two (2) one-year options to renew.**
- 6.5 After ORM has awarded coverage, the bidder/contractor **shall** provide premium breakdown per vessel, with a further breakdown for hull and machinery and protection and indemnity for Section I. The total premium for Section II **shall** be provided as a lump sum amount. The total premium for Section III **shall** be provided per vessel. This information **shall** be used for internal accounting purposes only, the breakdowns should not be included in the policies issued, but available upon request from the successful bidder/contractor.

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7. Forms

The following form numbers are provided for content purposes *only*:

SECTION I - Tug Boats, Ferry Boats, Pontoons and Barges and Vessels over Twenty-six (26) Feet in Length

1. American Institute Tug Form (August 1, 1976) 53R-1 or equivalent.
2. American Institute Hull Clauses #7 (June 2, 1977) or equivalent.
3. American Institute Increased Value and Excess Liabilities Clauses 129-P (Nov. 3, 1977) or equivalent.
4. Protection and Indemnity - SP-23 (Revised 1/56) or equivalent.
5. American Institute Excess Marine Liabilities Clauses (Nov. 3, 1977) 8-A or equivalent.
6. American Institute Port Risk Endorsement (Jan. 18, 1970) 57A-5 or equivalent.

SECTION II - P&I for Masters and Members of a Crew and/or Employees

1. Protection and Indemnity - SP-23 (Revised 1/56) or equivalent.

8. Claims Service

- 8.1 The bidder/contractor shall provide claims service for the hull to replacement cost, protection and indemnity (property damage and bodily injury), towers and collision, and protection and indemnity for masters and members of the crew and/or employees, on all claims which exceed ORM retention.
- 8.2 The claims service shall be responsible for the handling of our claims to their conclusion in a professional manner. Should the contract be terminated the bidder/contractor **shall** remain responsible for occurrences that take place during the policy period.
- 8.3 Claims below ORM retention may be handled by ORM at our expense, or be assigned to an independent marine adjusting firm. Bidder/Contractor agrees to reimburse ORM for expenditures for claims service by an independent marine adjusting firm on all claims which exceed ORM retention.
- 8.4 ORM **shall** notify the agent of record of all claims falling into the following categories:
 1. Quadriplegic
 2. Paraplegic
 3. Brain Damage
 4. Serious Burn Cases
 5. Any other cases which ORM deems appropriate
 6. Any claims where ORM reserves exceed \$1,000,000

Reporting will be made by ORM to the agent-of-record only and the agent-of-record will be responsible for complying with insurance company reporting requirements.

9. Rates

The contractor **shall** provide ORM with the rate(s) per unit of exposure corresponding to premium indicated on EXHIBIT I as regards Tug Boats, Ferry Boats, Pontoons and Barges and Vessels Over 26 Feet in Length. The rate(s) **shall** be indicated on EXHIBIT II of these specifications.

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PART III

GENERAL CONTRACTUAL REQUIREMENTS

1. Bidder/Contractor **shall** be bound by the provisions of Louisiana R.S. 39:1551, et. seq., (The Louisiana Procurement Code).
2. Unless otherwise provided by law, a contract for services may be entered into for periods of not more than three years. No contract **shall** be entered into for more than one year unless the length of the contract was clearly indicated in these specifications. At the option of the State of Louisiana and upon acceptance by the bidder/contractor, any contract awarded for one year may only be extended for two additional twelve-month periods -- not to exceed a total contract period of thirty-six (36) months.
3. **Appropriation Dependency Clause**
 - 3.1 The continuation of this agreement is contingent upon the appropriation of funds, to fulfill the requirements of the agreement, by the legislature. If the legislature fails to appropriate sufficient monies to provide the continuation of this agreement, or if a lawful gubernatorial order issued in or for any given fiscal year during the term of this agreement, reducing the funds appropriated in such amounts as to preclude making the payments set out herein, the agreement **shall** terminate on the date said funds are no longer available without any liability incurring onto the State other than to make payment for services rendered prior to the termination date.
 - 3.2 However, the State **shall** be under a duty to make such determination only in good faith, and not arbitrarily and without justification, to cancel this agreement for the sole purpose of acquiring from another vendor other products of comparable quality and value, and the State agrees that it will use its best efforts to obtain approval of necessary funds to fulfill the obligations of this agreement by taking the appropriate action to request adequate funds to continue this agreement.
4. Endorsements extending and/or deleting coverage which are issued to the policy of insurance **must** reflect any increases or decreases in the amount of the bidders'/contractors' compensation (premium) and **shall** serve to modify or amend the premium as reflected on EXHIBIT I of these bid specifications. No other method, and/or no other document, including correspondence, acts and oral communications by or from any person, **shall** be construed as a modification or supplementation of the contract except as herein delineated as regards amendments and endorsements.
5. In the event the company or companies originally contracted with by ORM fail(s) to perform, ORM **shall** allow substitution for such company or companies if the parties sought to be substituted meet other criteria established by these specifications. In the event substitution of company or companies occurs, company signature pages signed by the replacement company or companies **must** also be submitted to ORM.

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PART IV

GENERAL BID INFORMATION

1. Special Instructions to Bidder

- 1.1** The bidder/contractor **must** respond to this IFB by submitting all data required herein in order for this bid to be evaluated and considered for award. Failure to submit such data **shall** be deemed sufficient cause for disqualification of a bid from further consideration of award.
- 1.2** The bidder/contractor **shall** provide **Hull, Protection and Indemnity, and Towers and Collision to cover scheduled Tug Boats, Ferry Boats, Pontoons and Barges, and Vessels over 26 feet in Length, Protection and Indemnity for Masters and Members of a Crew and/or Employees, and Pollution Coverage as required by Public Law 101-380 - The Oil Pollution Act of 1990** for the State of Louisiana, all State Departments, Agencies, Boards and Commissions, which **must** equal or exceed the coverage provided in the sample policy reflected in SCHEDULE D of these specifications.
- 1.3** Any change or restriction in conditions, warranties, or exclusions from the underlying policies or from these specifications **must** be completely explained in writing and attached to the bid. Any such deviations which provide less coverage than that required in the underlying policies and these bid specifications **shall** be considered an alternate quotation. Any such change or restriction **shall** be indicated on EXHIBIT V of these specifications. **Submission of sample policy(ies) shall not be considered to be in compliance with the above stipulations.**
- 1.4** ORM reserves the right to reject any or all bids.
- 1.5** Bidder/Contractor is bound by all of the terms, prices and conditions of its bid for a term of sixty (60) days after bid opening. No bid may be withdrawn prior to the expiration of that sixty (60) day period.
- 1.6** Bids will be awarded by competitive sealed bidding, pursuant to R.S. 39:1594. Only dollar values stated in EXHIBIT I will be considered for award of the bid. The DOA/ORM reserves the right to award the bid for the option which provides the highest limit of coverage at the lowest premium within the individual budget agency(ies) allocated funding, if applicable.
- 1.7** A contract or order resulting from this invitation **shall** be awarded in response to a bid providing the lowest responsible and responsive bid to the State of Louisiana.
- 1.8** Any award of the contract resulting from this invitation **shall** be made by written notification from ORM.
- 1.9** **As respects this bid, company name and signature of designated authorized representative of the insurance company shall be indicated on EXHIBIT III of these specifications. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the need for a company signature; however, the submission of a bid bond allows any authorized person from the company to sign the invitation in lieu of the designated authorized person.**

2. Pricing Information

- 2.1** The bidder/contractor **shall** provide fixed rates for services as required by the Technical Specifications. These costs **shall** be shown on the forms attached as EXHIBIT I and EXHIBIT II, which **must** be returned with the proposal along with the entire IFB document.
- 2.2** The bidder/contractor **must** provide other information as required in EXHIBIT I.
- 2.3** The bidder's/contractor's quotation **shall** be based on the following:

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2.3.1 Guaranteed Cost Plan - Any Proposal submitted by the bidder/contractor **must** be submitted on the form herein provided with the blank spaces filled in showing the annual premium based on the coverages reflected in PART IV of these specifications.

2.4 Percentage of commission return **shall** reflect that percentage of the total premium which will be returned to the State by the successful bidder/contractor, if applicable, and as allowed in Louisiana R.S. 39:1631 and Louisiana R.S. 39:1632.

2.5 Any increase and/or decrease in premiums during the policy period **shall** increase and/or decrease the amount of commission return to the same degree of percentage as the original commission return utilized in the net premium determination.

3. Bidder Information

3.1 As regards the insurance company and an incorporated insurance agency, the bidder/contractor shall attach either one of the following (Items 3.1.1 or 3.1.2) to the proposal:

3.1.1 Board resolution or power of attorney (with seal):

3.1.1.1 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance agency.

3.1.1.2 giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.

3.1.1.3 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.

3.1.2 Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$100,000, whichever is more. Bid bonds for 10% of Net Annual Premium can be rounded to the nearest dollar.

3.2 As regards an unincorporated insurance agency (sole proprietor agency), the bidder/contractor shall attach either one of the following Items (3.2.1 or 3.2.2) to the proposal.

3.2.1 Notarized affidavit, board resolution or power of attorney (with seal):

3.2.1.1 giving documentation from the Louisiana Insurance Department reflecting proof of ownership of the agency.

3.2.1.2 giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.

3.2.1.3 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.

3.2.2 Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$100,000, whichever is more. Bid bonds for 10% of Net Annual Premium can be rounded to the nearest dollar.

3.3 The bidder/contractor **must** submit with its response to this IFB, a certificate of insurance showing proof of errors and omissions coverage on the agent and/or broker with limits of

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liability of at least \$1,000,000. This errors and omissions coverage must be maintained throughout the period of this contract.

- 3.4** The bidder/contractor **must** submit a narrative description of the claim service it proposes to provide. The narrative should include, but not necessarily limited to, a description of the claim handling procedures (routine processing) commencing with the date of loss, reaction time on claims and length of time before a claims payment will be made. The bidder/contractor **shall** be held contractually responsible for information provided in EXHIBIT IV.

4. Insurance Required

- 4.1** The following insurance requirements apply to coverage provided for **SECTION I only**.

- 4.1.1** Bidder/Contractor **shall** issue a policy or policies of insurance and **must** provide hull and protection and indemnity coverage as indicated:

- 4.1.1.1** Hull Insurance to replacement cost value should be written on all vessels reflected in SCHEDULE A of these specifications, except for the three (3) SES vessels at LUMCON as shown in SCHEDULE A.

Hull Value - See SCHEDULE A for Hull Values to be used for Fiscal Year 2002-2003.

Deductible - 5% of agreed upon hull value with a minimum deductible of \$5,000 and a maximum deductible of \$50,000.

- 4.1.1.2** A hostile acts exclusion with limited buyback endorsement will **NOT** be accepted for **SECTION I** Hull coverage.

- 4.1.2** Protection and Indemnity (P&I 1955SP-38) or Equivalent

Limit of Liability - \$100,000,000

Deductible - \$50,000

- 4.1.3** Towers and Collision

Limit of Liability - \$100,000,000

Deductible - \$50,000

- 4.1.4** A hostile acts exclusion with limited buyback endorsement will be accepted for **SECTION I** Protection and Indemnity (P&I) coverage based on the endorsement shown in SCHEDULE D or equivalent. The premium for the buyback option shall be included in the premium quotation shown in EXHIBIT I.

- 4.2** The following insurance requirements apply to coverage provided for **SECTION II only**.

- 4.2.1** Limit of Liability: The limit of liability with respect to claims for loss of life or injury to master or members of the crew and/or employees **shall** be:

- \$99,000,000 Any One Person
- \$99,000,000 Any One Occurrence

Excess of the Following Self-Insurance Coverage:

- \$1,000,000 Any One Person
- \$1,000,000 Any One Occurrence

This P&I for Crew and/or Employees covers all personnel operating any type of vessel for the State of Louisiana. This includes all vessels twenty-six (26) feet and under in length.

- 4.2.2** A hostile acts exclusion with limited buyback endorsement will **NOT** be accepted for **SECTION II** coverage.

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4.3 The following insurance requirements apply to Coverage Provided for SECTION III only.

- 4.3.1 The bidder/contractor **shall** provide insurance to cover the statutory limits of Public Law 101-380 - The Oil Pollution Act of August 18, 1990 hereinafter referred to as O.P.A. as per the sample policy form, or equivalent, with excess coverage to a minimum of \$5,000,000 insurance to include the statutory limits of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Public Law 91-510).
- 4.3.2 Unless the Pollution Policy includes loss of life or personal injury caused by pollution, contamination of cargo on insured vessel or vessels of others, the Protection and Indemnity Policy **shall** be extended to cover these liabilities.
- 4.3.3 Underwriters **shall** be acceptable to the State of Louisiana and to the United States Government to meet the financial responsibility required by the act(s) and **shall** file the necessary certificates required of the guarantor when requested by the State of Louisiana.

Only with respect to insurance required by the O.P.A, a syndicate of admitted companies will be considered to meet the A.M. Best Rating required by Part II, Section 1.6 of this IFB if at least 80% of its subscribing companies meet or exceed that rating requirement. If the bidder/contractor proposes to use a syndicate, the bidder/contractor **shall** submit with the bid quotation, on a separate page(s), a list of the subscribing companies which are to participate on the State's policy since ORM **must** verify that at least 80% of the companies meet the required A.M. Best Rating.
- 4.3.4 A waiver of subrogation in favor of LOOP, LLC **shall** be included as referenced in Part II, Technical Specifications, 3.15.
- 4.3.5 No pollution coverage is required on any barge seized by the Office of the Oil Spill Coordinator.
- 4.3.6 **A hostile acts exclusion with limited buyback endorsement will NOT be accepted for SECTION III coverage.**

5. Underwriting Information

- 5.1 Underwriting information as regards schedule of insureds, vessels, hull values, hull deductibles, protection and indemnity limits of liability, maritime exposures, etc. are reflected in SCHEDULE A-G of these specifications. Premium and loss history is provided in SCHEDULE C of these specifications. The schedule of vessels found in SCHEDULE A is current as of the date indicated on the schedule. The most recent surveys on the vessels, which were completed in November 2001, are available upon written request.

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EXHIBIT I

BID QUOTATION FORM

The bidder/contractor proposes to furnish policy(ies) providing insurance for the premium stated below for the State of Louisiana - Various State Departments, Agencies, Boards, and Commissions (as scheduled) effective for the period of **July 1, 2002 to July 1, 2003 with two (2) one-year options to renew at the same rates.**

	Annual Gross Premium Installment ¹ (Plus Cost of Appraisal)	Less Commission Return ² (Per LA R.S. 39:1632)	Net Premium Installment Due (Plus Cost of Appraisal)
Section I – Hull and Protection & Indemnity (excluding P&I for crew members)	\$ _____	- (%)	\$ _____
Section II – P&I for crew members and/or employees	\$ _____	- (%)	\$ _____
Section III – Pollution Coverage	\$ _____	- (%)	\$ _____
Section IV – Valuation/Appraisal Service	\$ _____	- (%)	\$ _____
TOTAL:	\$ _____	- (%)	\$ _____

NOTE: The premiums listed above should include the cost of the buyback option of the hostile acts endorsement. See Part IV., 4. Insurance Required and SCHEDULE D.

¹In the event the percentages of policy tax, or surplus lines tax or other taxes increase due to changed legislation, the bidder(s)/contractor(s) **shall** absorb the increases as the State cannot pay more than the amounts quoted on the successful bid except in the instances of increased coverage.

²For explanation refer to PART II - Technical Specifications, Subsection 1, General Specifications, Paragraph 1.13 and PART IV - General Bid Information, Subsection 2, Pricing Information, Paragraph 2.4. **Bidder/Contractor must reflect percentage of total premium which will be returned to the State.**

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	*	<i>EXHIBIT II</i>	*		*	
B-143	*	<i>PREMIUM</i>	*	May 23, 2002	*	22 of 27
		<i>RATES</i>				

EXHIBIT II

PREMIUM RATES

The bidder/contractor shall indicate below the rate(s) per unit of exposure corresponding to the premium indicated on EXHIBIT I. (If additional space is required, supplemental pages that are identified should be attached for the bidder's/contractor's complete response.)

The bidder/contractor shall indicate the discounted percentage rate for Protection & Indemnity while a vessel is laid up or dry-docked: _____%

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EXHIBIT III

COMPANY SIGNATURE PAGE

INSURANCE COMPANY OR COMPANIES TO BE USED AND PERCENTAGE OR LAYER OF COVERAGE TO BE PROVIDED BY EACH: (If additional space is required supplemental pages that are identified should be attached for insurance company name and signature)

NOTE: See signature requirements per PART I, Item 6 and PART IV, Item 1.9.

Insurance Company Name: _____

Signature of Designated Authorized Representative of the Insurance Company:

Percentage or Layer of Coverage to be Provided:

NOTE: Bidder/Contractor Must Answer the Following Questions:

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1) Is insurance company an assessable mutual company? ³ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) Is insurance company licensed to do business in Louisiana? ³ | <input type="checkbox"/> | <input type="checkbox"/> |

³See PART II, Item 1.5 of these specifications

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	*	<i>EXHIBIT IV</i>	*		*	
B-143	*	<i>CLAIMS HANDLING</i>	*	May 23, 2002	*	24 of 27
		<i>PROCESS NARRATIVE</i>				

EXHIBIT IV

CLAIMS HANDLING PROCESS NARRATIVE

Bidders/Contractors **shall** respond to the following:

Provide a narrative description of the claims handling procedures (routine processing) to be used in servicing the account for hull insurance to replacement cost, protection and indemnity on scheduled vessels including protection and indemnity for master and members of the crew and/or employees, and pollution coverage. The description should include, but not be limited to, the routine processing of claims, the reaction time to a new loss, and the length of time before a claim's payment will be made. (If additional space is required, supplemental pages that are identified should be attached for the bidder's/contractor's complete response.)

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT V</i>	*		*	
B-143	*	<i>COVERAGE</i>	*	May 23, 2002	*	25 of 27
		<i>DEVIATIONS</i>				

EXHIBIT V

COVERAGE DEVIATIONS

Bidder/Contractor **shall** indicate below any change or restriction in conditions, warranties, or exclusions from the hull insurance to replacement cost, protection and indemnity on scheduled vessels including protection and indemnity for master and members of the crew and/or employees, and pollution coverage **and/or other services required by these specifications**. Submission of sample policy and/or service narrative shall not be considered as compliance with above stipulations. Non-disclosure of changes/restrictions shall be interpreted to mean policy and/or other services to be provided will be in compliance with coverage and/or other services requested in these specifications.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT VI	*		*	
B-143	*	BIDDER'S CHECK LIST	*	May 23, 2002	*	26 of 27

EXHIBIT VI
BIDDER'S CHECK LIST

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	1. Entire IFB returned (per page 5, item 6.2.5).
<input type="checkbox"/>	<input type="checkbox"/>	2. Page 23 (EXHIBIT III) signed by designated authorized representative of the insurance company (per page 5, item 6.1.2 and page 17, item 1.9).
<input type="checkbox"/>	<input type="checkbox"/>	3. Insurance Company Name has been indicated on Page 23 (EXHIBIT III) per page 17, item 1.9.
<input type="checkbox"/>	<input type="checkbox"/>	4. Form ORM-2 signed in ink by designated authorized representative of the insurance agency (per page 5, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	5. Amendment(s) (if applicable) signed in ink by designated authorized representative of the insurance agency (per page 5, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	6. Amendment(s) (if applicable) returned (per page 5, item 6.2.5 and page 4, item 4.2).
NOTE: ITEMS 7A, 7B, AND 7C; <u>OR</u> 8A, 8B, AND 8C; <u>OR</u> 9 IS REQUIRED.		
<input type="checkbox"/>	<input type="checkbox"/>	7A. Board resolution/power of attorney (per page 18, item 3.1.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7B. Board resolution/power of attorney (per page 18, item 3.1.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7C. Board resolution/power of attorney (per page 18, item 3.1.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8A. Notarized affidavit, board resolution/power of attorney (per page 18, item 3.2.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8B. Notarized affidavit, board resolution/power of attorney (per page 18, item 3.2.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8C. Notarized affidavit, board resolution/power of attorney (per page 18, item 3.2.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	9. Bid Bond (per page 18, item 3.1.2 or page 18, item 3.2.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	10. Claims narrative submitted (per page 19, item 3.4 and page 24, EXHIBIT IV).
<input type="checkbox"/>	<input type="checkbox"/>	11. Were any coverage and/or services deviations submitted on page 25, EXHIBIT V (per page 17, item 1.3)?
<input type="checkbox"/>	<input type="checkbox"/>	12. Does insurance company have current Best Rating of "A + +", "A +", "A" or "A-", Class VIII or higher (per page 8, item 1.5)?
<input type="checkbox"/>	<input type="checkbox"/>	13. Errors and Omissions Certificate (per page 18, item 3.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	14. Were premium quotations indicated on EXHIBIT I, page 21 (per page 17, items 2.1 and 2.2.)?
<input type="checkbox"/>	<input type="checkbox"/>	15. Was commission return percentage factor reflected on EXHIBIT I, page 21 (per page 18, item 2.4)?
<input type="checkbox"/>	<input type="checkbox"/>	16. Were premium rates indicated on Exhibit II, page 22(per page 15 , item 9 and page 17, item 2.1)?
<input type="checkbox"/>	<input type="checkbox"/>	17. Was discount percentage rate indicated on EXHIBIT II, page 22(per page 8, item 1.1)?
<input type="checkbox"/>	<input type="checkbox"/>	18. Are responses to questions on EXHIBIT III, page 23 in compliance with requirements in Item 1.5 on page 8?
<input type="checkbox"/>	<input type="checkbox"/>	19. Page 27 (Exhibit VII) signed by designated authorized representative of the insurance agency.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT VII</i>	*		*	
B-143	*	<i>NON-RETURNABLE</i>	*	May 23, 2002	*	27 of 27
		<i>SECTION</i>				

EXHIBIT VII

NON-RETURNABLE SECTION

The following pages are made part of this bid specification package, but do not have to be returned with a quotation. It is the bidder/contractor's responsibility to ensure that all pages have been received and reviewed. This page **must** be returned as part of the bid quotation. If this page is not signed and returned, the submitted bid will be disqualified.

	<u>Pages</u>
Schedule A – Schedule of Vessels	1 - 6
Schedule B – Maritime Payroll Exposure	7 - 8
Schedule C – Premium and Loss History	9 - 25
Schedule D – Hostile Acts Exclusion and Limited Buyback Endorsement	26 - 27
Schedule E – Policy Forms and Endorsements	28 - 79
Schedule F – Additional Underwriting Information	80 - 81
Schedule G – Quote Authorization Letter	82

By signing this page, the bidder/contractor acknowledges that the above schedules have been received in full and reviewed.

Signature of Bidder/Contractor